AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			CONTRACT ID CODE	PAGE OF PAGES *
PR-HQ-98-13111/0002 08/	EFFECTIVE DATE (04/98	PR-HQ-98-	QUISITION/PURCHASE REQ. NO. 5. PROJECT NO. (If applicable 1998-13111	
6. ISSUED BY CODE Environmental Protection Agency BID/PROPOSAL ROOM (3803R) 401 M Street, S.W. Washington, DC 20460		_7. ADMINISTEI	RED BY (If other than item 6) COE	DE
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State ar	nd ZIP Code)		(✓) 9A. AMENDMENT OF S	SOLICITATION NO.
		<u>, </u>	PR-HQ-98-1311 9B. DATED (SEE TE 07/15/98 10A. MODIFICATION NO.	I1 EM 11) N OF CONTRACT/ORDER
CODE FACILITY CODE			10B. DATED (SEE ITE	EM 13)
	M ONLY APPLIES TO AME	NDMENTS OF	SOLICITATIONS	
submitted; or © By separate letter or telegram which includes a refer MENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RE IN REJECTION OF YOUR OFFER. If by virtue of this amendment you letter, provided each telegram or letter makes reference to the solici	CEIPT OF OFFERS PRIOR TO THE LOST OF THE CENTRAL TO THE LOST OF THE CENTRAL TH	ndment numbers. HE HOUR AND DA ly submitted, such	FAILURE OF YOUR ACKNOWLI TE SPECIFIED MAY RESULT In change may be made by telegr	EDG- ram or
12. ACCOUNTING AND APPROPRIATION DATA (If required)				
	PPLIES ONLY TO MODIFICA		•	
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: TRACT ORDER NO. IN ITEM 10A	THE CONTRACT/ORDER N (Specify authority) THE CHANGES S			
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MO appropriation date, etc.) SET FORTH IN ITEM 14, PURSU			NGES (such as changes in paying off	ice,
c. THIS SUPPLEMENTAL AGREEMENT IS ENTERED I	NTO PURSUANT TO AUTHORITY	OF:		
D. OTHER (Specify type of modification and authority)				
E. IMPORTANT: Contractor [] is not, [] is required to sign	this document and return	copies to the is	suing office.	
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF	section headings, including solicitation/	contract subject matte	er where feasible.)	
Except as provided herein, all terms and conditions of the documer and effect.	nt referenced in Item 9A or 10A, a	•		
15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME A	ND TITLE OF CONTRACTING OI	FFICER (Type or print)
15B. CONTRACTOR/OFFEROR	15C DATE SIGNED	+	STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		(Sign	nature of Contracting Officer)	

AMENDMENTS TO THE SOLICITATION

The subject RFP is hereby amended to reflect the following changes:

- 1. Clause B.1 TERM CONTRACT (EPAAR 1552.211-73) (APR 1984) DEVIATION Level of Effort is hereby reduced from 110,000 hours to 100,000 hours.
- 2. ATTACHMENT 7 COST OR PRICING PROPOSAL INSTRUCTIONS reflect reduction in direct labor and other direct costs.

B.1 LEVEL OF EFFORT--COST REIMBURSEMENT TERM CONTRACT (EPAAR 1552.211-73) (APR 1984) DEVIATION

- (a) The Contractor shall perform all work and provide all required reports within the level of effort specified below. The Government will order 100,000 direct labor hours for the base period which represents the Government's best estimate of the level of effort required to fulfill these requirements.
- (b) Direct labor includes personnel such as engineers, scientists, draftsmen, technicians, statisticians, and programmers and not support personnel such as company management, typists, and key punch operators even though such support personnel are normally treated as direct labor by the Contractor. The level of effort specified in paragraph (a) includes Contractor, subcontractor, and consultant labor hours.
- (c) Under any circumstances, if the Government orders or the Contractor provides less than 90 percent of the level of effort specified for the base period or any optional period exercised, an equitable downward adjustment of the fixed fee, if any, for that period will be made. The Government may require the Contractor to provide additional effort up to 110 percent of the level of effort for any period until the estimated cost for that period has been reached. However, this additional effort shall not result in any increase in the fixed fee, if any. If this is a cost-plus-incentive-fee (CPIF) contract, the term "fee" in this paragraph means "base fee and incentive fee." If this is a cost-plus-award-fee (CPAF) contract, the term "fee" in this paragraph means "base fee and award fee."
- (d) If the level of effort specified to be ordered during a given base or option period is not ordered during that period, that level of effort may not be accumulated and ordered during a subsequent period.
- (e) These terms and conditions do not supersede the requirements of either the "Limitation of Cost" or "Limitation of Funds" clauses.

ATTACHMENT 7 - The attachment entitled "Instructions for the Preparation of Cost Proposals" - Part II Direct Labor and Part V Evaluation of Other Direct Costs I has been modified, Part II - Direct Labor. The text is as follows:

COST OR PRICING PROPOSAL INSTRUCTIONS

II. DIRECT LABOR

A. This contract has a three (3) year period of performance. The following yearly breakdown for the period of performance is for administrative purposes only:

a. BASE PERIOD: (Year 1 and 2)

				HOURS
16.000	36.850	32.500	14,650	100,000

b. OPTION PERIOD (Year 3)

P4	Р3	P2	P1	TOTAL HOURS
8,000	18,425	16,250	7,325	50,000
TOTAL	150,000			

- B. When identifying individuals assigned to the project, specify in which of the professional or technical categories the identified individual belongs. If your company proposes an average rate for a company classification, identify the professional or technical level within which each company category falls.
- C. The direct labor hour mix and personnel proposed as part of the cost proposal shall be the same as proposed in the technical proposal.
- D. Indicate whether current rates or escalated rates are used. If escalation is included, state the degree (percent) and methodology. The methodology shall include the effective date of the base rates and the policy on salary reviews (e.g. anniversary date of employee or salary reviews for all employees on a specific date). The offeror shall include the date of the payroll from which hourly rates were obtained.
- E. State whether any additional direct labor (new hires) will be required during the performance period of this acquisition. If so, state the number required.
- F. Administrative/clerical support labor hours and costs should be proposed consistent with your established accounting practices. Indicate what type of administrative/clerical support labor you consider direct labor and estimate hours for each labor category. Provide an explanation for hours and show calculations.

IV. INDIRECT COSTS (overhead, general, and administrative expenses).

- A. Unless your proposed indirect rate(s) have recently been accepted by a contracting agency of the Government, provide detailed supporting computations. These computations may include historical as well as budgeted data. Indicate whether your computations are based upon historical or projected data. If your rates have been recently approved, include a copy of the agreement. If the agreement does not cover the projected performance period of the proposed effort, provide the rationale and any estimated rate calculations for the proposed performance period.
- B. The offeror shall furnish the name and address of the Government agency and the name of the reviewing official if their rates have been recently accepted by a Government agency.
- C. Program Support. The offeror shall identify which elements, if any, of the statement of work's Program Support functions are treated as indirect charges in accordance with the offeror's accepted accounting practice.
- D. Cost ceilings may be required under this contract for the prime or one or more subcontractors. Offerors should review the situations described in FAR 42.707(b)(1) to determine whether or not ceilings should be utilized and, when appropriate, propose ceilings.

NOTE: The Government reserves the right to adjust an offeror's or its subcontractor's estimated indirect costs for evaluation purposes based on the Agency's judgement of the most probable costs up to the amount of any stated ceiling.

V. EVALUATION OF OTHER DIRECT COSTS

- A. This contract has a three(3) year period of performance. For evaluation purposes, offerors shall propose the following amounts:
 - 1. PERIOD OF PERFORMANCE -- BASE QUANTITY

For evaluation purposes, offerors are required to propose the following other direct costs for the base quantity of the base period.

Other Direct Costs

Items Total
Travel \$350,000
Miscellaneous ODCs \$700,000

2. OPTION PERIOD 1

For evaluation purposes, offerors are required to propose the following other direct costs for the option period:

Other Direct Costs

ItemsTotalTravel\$175,000Miscellaneous ODCs\$350,000

B. Other Direct Costs

- 1. Attach a schedule detailing how other direct costs were computed. Identify the major ODC items that under your accounting system would be a direct charge on any resulting contract.
- 2. If the solicitation specifies the amount of other direct costs, this amount is exclusive of any applicable indirect cost and fee.

C. Travel Expense

- 1. Attach a schedule illustrating how travel was computed. Include a breakdown indicating the number of trips, number of travellers, destination, purpose and cost.
- 2. If the solicitation specifies the amount of travel costs, this amount is exclusive of any applicable indirect cost and fee.
- D. Equipment (not including special equipment).
 - 1. If direct charges for use of existing contractor equipment are proposed, provide a description of these items and details of the basis of such charges.
 - 2. If equipment purchases are proposed, provide a description of these items, details of the proposed costs (including at least three price quotes), and a justification as to why the Government should furnish the equipment or allow its purchase with contract funds.
 - 3. Identify Government-owned property in the possession of the offeror or proposed to be used in the performance of the contract, and the Government agency which has cognizance over the property.
- E. Facilities and special equipment, including tooling.
 - 1. If special purpose facilities or equipment is being proposed, provide a description of these items, details of the proposed costs including competitive prices, and a justification as to why the Government should furnish the equipment or allow its purchase with contract funds.
 - 2. If fabrication by the prime Contractor is contemplated, include details of material, labor, and overhead.

F. Consultant service.

Identify the contemplated consultants. State the amount of service estimated to be required and the consultant's quoted daily or hourly rate.

G. Subcontracts.

The Offeror shall submit cost or pricing data to the Government for subcontracts that are the lower of either--

- 1. \$10,000,000 or more; or
- 2. More than \$500,000; or
- 3. More than 10% of the prime contractor's proposed price.

The Offeror shall conduct appropriate cost or price analysis to establish the reasonableness of the proposed subcontract prices. The results of these analysis should be included in the cost proposal. The prime contractor should include details of subcontract costs in the same format as the prime contractor's costs.

Offerors that enter into subcontracts other than on a cost-reimbursement type basis may make appropriate adjustments to the instructions and schedules. Information as to the type of subcontract contemplated and documentation to show why the contract type (i.e. fixed price, time & materials, labor hour, cost-reimbursement, etc.) is anticipated must be included.

The Government reserves the right to request additional cost and price data to be submitted by the prime contractor at lower dollar thresholds than that stated above, if the Government determines that discussions will be held.